

FOUNDATION FOR FAIR CONTRACTING OF CONNECTICUT, INC.

81 Market Square, Room 2, Newington, CT 06111

Office: (860) 667-7727

Fax: (860) 667-9949



Commerce Committee
Public Hearing

February 27, 2014

Re: SB 231 - *An Act Increasing The Cap On The Urban And Industrial Site Tax Credit And Threshold For Legislative Approval Of Financial Assistance*

Senator LeBeau, Representative Perone, Senator Frantz, Representative Lavielle and members of the Commerce Committee,

The Foundation for Fair Contracting of Connecticut (FFC) is a non-profit organization created by labor and management in order to monitor all public works construction projects covered under the Connecticut General Statutes Section 31-53 and the Davis-Bacon Act. We accomplish this by reviewing public documents prepared and/or submitted by the owner and contractor(s). We focus on licensing, proper payment of prevailing wage rates, proper classification of workers and properly administered state apprenticeship standards.

The FFC opposes SB 231 due to concerns with the sections listed below.

Section 2 Subsection (q)(1) of section 32-9t:

Any tax credits approved under this section that would constitute in excess of [twenty] forty million dollars in total for a single investment shall be submitted by the Commissioner of Economic and Community Development to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding prior to the issuance of a certificate of eligibility for such investment

Section 3. Section 32-462 (b)(1) :

No agency or agencies may award more than a total of [ten] twenty million dollars of financial assistance during any two-year period to an applicant or for a business project unless such financial assistance is specifically authorized by an act of the General Assembly

SB 231 proposes to increase the trigger for when the Department of Economic and Community Development (DECD) must seek approval from the state legislature for the awarding of financial assistance to a business.

At a time when our organization is attempting to bring more transparency to the construction projects funded either fully or in part by DECD's financial assistance initiatives, it seems counterintuitive to roll back the checks and balances in statute.

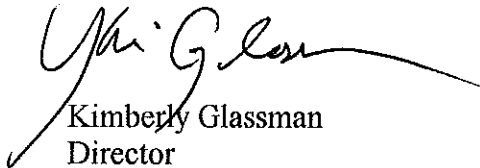
We believe the legislature offers invaluable oversight in how we dole out incentives to private businesses. And ultimately, an increase in the thresholds referenced above equates to a weakening of transparency.

Though DECD is looking to gain more power over how they use tax credits, loans and grants, we believe that by subverting the legislature's approval, they are in fact advocating for less regulation.

SB 231 is simply poor policy. We strongly urge this committee to oppose this proposed legislation.

Thank you.

Sincerely,



Kimberly Glassman
Director